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LEADERSHIP AND MANAGEMENT

In the world of work, organisational psychologists are interested in the sort of person whose style of leadership can keep a group together and make it productive, preferably while also maintaining a good deal of satisfaction among the group members. Moghaddam (1998) defines leadership as: "process by which one person directs group members toward the attainment of specific goals". In this topic we shall look at:

- Theories of Leadership
- Leadership Styles
- Leader-Worker Interaction and Satisfaction

THEORIES OF LEADERSHIP

There are a great number of definitions of leadership, but most of these definitions involve the leader using his or her influence to assist groups in attaining goals (Yukl & Van Fleet, 1992).

Leaders help the organisation and the individuals and groups they are made up of achieve goals that can range from achieving high levels of motivation and performance to making innovative decisions to increasing job satisfaction and organisation commitment.

Leaders may succeed at helping groups and organisations achieve their goals, but sometimes they do not. Leader effectiveness is the extent to which a leader helps a group or organisation to achieve its goal. An effective leader helps achieve goals; an ineffective leader does not.

All leaders exert influence over members of a group or organisation. Some leaders, however, have formal authority to do so; others do not. Formal leaders are members of an organisation who are given authority by the organisation to influence other organisational members to achieve organizational goals. → Important for part (a)

Informal leaders have no formal job authority to influence others but sometimes exert just as much influence in an organisation as formal leader- and sometimes more. Informal leaders' ability to influence others often arises from special skills or talents that they posses- skills that group members realize will help the group achieve its goal. → Important for part (a)

Regardless of whether a leader holds a formal leadership role, or emerges informally, a true leader should move followers toward the attainment of goals. In general, both formal leaders and informal leaders influence others in groups and organisations. → Important for part (a)

There has been a long history of research on and theorizing about leadership. Leadership theories tend to build on one another, with later theories using components of earlier models and expanding on or using them in new ways.

In looking at theories of leadership, we will see that while each takes a somewhat different perspective, there are common traits. The earliest theories were *universalist* and looked for major characteristics common to all effective leaders. More recent models build

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on the *behavioural* theories of leadership which focus on the behaviours of effective leaders. Later theories, called *contingency* theories, looked at the interaction between leader behaviour and situational circumstances.

UNIVERSALIST THEORIES OF LEADERSHIP

Universalist theories of leadership search for the one key characteristic or a cluster of key characteristics held by effective leaders, arguing that leaders with these traits will be successful regardless of the situation. Universalist theories represent the earliest and simplest approaches to the study of leadership.

GREAT MAN/ WOMAN THEORY:

The *great man-woman* theory which is much older than any formal study of social psychology, reflects the say that "great leaders are born, not made" (Stogdill, 1948). Rather than being a formal theory, this theory is a belief that personal qualities and abilities make certain great persons natural leaders. This theory holds that were great leaders of the past to be alive today, they would again rise to power because of their natural abilities.

Great Man theories assume that the capacity for leadership is inherent – that great leaders are born, not made. These theories often portray great leaders as heroic, and destined to rise to leadership when needed. The term "Great Man" was used because, at the time, leadership was thought of primarily as a male quality, especially in terms of military leadership. This was easy to verify, by pointing to people back along the timeline, even to Jesus, Moses, Mohammed and the Buddah.

Of course, this is mere speculation and there is no evidence for it, but this does not mean that people still do not believe in it. The fact that in certain countries the relatives of great leaders are also put into positions of power may indicate that there is some general faith in this notion of in-born leadership ability. Gender issues were not on the table when the 'Great Man' theory was proposed. Most leaders were male and the thought of a Great Woman was generally in areas other than leadership. Most researchers were also male, and concerns about androcentric bias were a long way from being realized.

TRAIT THEORY:

Similar in some ways to "Great Man" theories, trait theory assumes that people inherit certain qualities and traits that make them better suited to leadership. Trait theories often identify particular personality or behavioral characteristics shared by leaders. These theories see effective leaders as people possessing a high level of certain characteristics such as intelligence or self confidence

Trait theories suggest that leaders possess *characteristics* and traits in common, and that these are the *basic attributes* of leaders. The fact that some research studies were inconclusive may have been due to the inclusion of data from supervisory leaders. Much of this research involved identifying certain physical characteristics, including height, appearance, and energy level; other characteristics, such as intelligence; and personality traits, like dominance or achievement, that were associated with effective leaders (Hollander, 1985;Yukl, 1981).

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A review in 1974 summarized trait studies and listed desirable leadership characteristics, such as desire for responsibility and task completion, self-confidence, tolerance of frustration. However, these traits are not very useful in identifying future leaders in advance, as they become evident during the course of leadership.

The major problem with trait approach is that it was too general. It is unlikely that any one trait will be associated with effective leadership in all situations, with all kinds of tasks and among all groups of followers.

McCall and Lombardo (1983) researched both success and failure identified four primary traits by which leaders could succeed or 'derail':

- Emotional stability and composure: Calm, confident and predictable, particularly when under stress.
- Admitting error: Owning up to mistakes, rather than putting energy into covering up.
- Good interpersonal skills: Able to communicate and persuade others without resort to negative or coercive tactics.
- Intellectual breadth: Able to understand a wide range of areas, rather than having a narrow (and narrow-minded) area of expertise.

There have been many different studies of leadership traits and they agree only in the general saintly qualities needed to be a leader. For a long period, inherited traits were sidelined as learned and situational factors were considered to be far more realistic as reasons for people acquiring leadership positions. Paradoxically, the research into twins who were separated at birth along with new sciences such as Behavioral Genetics have shown that far more is inherited than was previously supposed.

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BEHAVIORAL THEORIES OF LEADERSHIP

The general failure of the universalist theories to isolate the characteristics associated with leader effectiveness led to a change in focus. Rather than trying to measure characteristics in the leader's orientation or personality, researchers began to examine the actual behaviour of effective leaders to determine what kinds of behaviour led to success.

A number of surveys, both of leaders and their subordinates, enquired into leadership behaviour. In the 1940s and throughout the 1950s, two research projects, one conducted at Ohio State University and the other at the University of Michigan investigated the behaviours exhibited by effective leaders. Both arrived at very similar conclusions concerning leaders, their behaviours, and effective leadership. Theories based on these studies and focusing on the particular behaviours that related to effective leadership are called behavioural theories of leadership.

OHIO STATE LEADERSHIP STUDIES:

Using self-reports and detailed observations of leader behaviour from both the leaders themselves and their subordinates, researchers at Ohio State University accumulated a list of hundreds of leader behaviours. Using a statistical process called factor analysis, they found that these hundreds of behaviours could all be narrowed into two general categories: initiating structure and consideration (Halpin & Winer, 1957).

Initiating structure includes leader activities that define and organize, or structure, the work situation, such as assigning specific tasks, defining work group roles, meeting deadlines, making task related decisions and maintaining standards of work performance.

Consideration describes behaviours that show a genuine concern for the feelings, attitudes, and needs of subordinates by developing rapport with them and showing them mutual respect and trust.

A great deal of research has been conducted to test the soundness of the initiating structure and consideration dimensions. Generally, the results show that most leader behaviour can indeed be grouped into one of the two categories (Bass, 1981; Fleishman & Harris, 1962). Additional studies have looked at how the two categories are related to the important outcome variables of work performance and job satisfaction (Kerr & Schriesheim, 1974; Yukl, 1971).

Initiating structure has been found to be correlated with effective work performance but also with lower group member job satisfaction and corresponding in turnover, on the other hand, consideration leader behaviours tend to be positively related to job satisfaction but may be unrelated to or even negatively correlated with work productivity (Bass, 1981). However these results are inconsistent. The inconsistencies probably arise because the effectiveness of specific leader behaviours is likely to be dependent on a number of other factors that serve as moderating variables that can determine whether a particular behaviour will be related to a certain outcome, such as group performance or satisfaction, in a given situation.

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UNIVERSITY OF MICHIGAN LEADERSHIP STUDIES:

At about the same time as the Ohio State studies were being conducted, researchers at the University of Michigan were also focusing on the behaviors characteristic of effective leaders and came up with quite similar results.

Studying leaders in a number of large industrial organisations, the Michigan researchers found that successful leaders tended to exhibit patterns of behaviour that were labeled task-oriented, also referred to as employee-oriented (Kahn & Katz, 1960).

Task-oriented behaviours are concentrated on performing the job that the work group faces and are thus similar to those of the initiating structure factor. Relationship – oriented behaviours include showing concern for the employees well-being an involving them in decision making process.

The primary difference between the Ohio State and University of Michigan studies was that the Michigan results tended to consider relationship-oriented leader behaviour to be more effective than task-oriented behaviours (Likert, 1967).

The major implication of the behaviour theories is that the behavioural style of the leader can be identified and if necessary modified i.e. leaders can be trained to use different and perhaps more effective leader behaviour. It is also possible to seek to appoint people to leadership roles who have competencies in such behaviours.

While the two dimensions of initiating (task-orientation) and consideration (relationship-orientation) seem to be reliable dimensions for describing leader behaviour, the theory has one major shortcoming: the two dimensions represent two very different types of leader behaviour, yet both have been linked to effective management. If we are to believe the universalist contention that there is one set of effective leader characteristics, or one best leadership style, then such divergent leader behaviours simply cannot represent a single effective leader. The most likely explanations are that other variables, particularly relating to the type of tasks or the characteristics of the work groups, determine whether certain leadership behaviours will be effective. And this brings us on to the next stage of the evolution of theories of leadership.

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MANAGERIAL GRID

Building on the work of the researchers at these Universities, Robert Blake and Jane Mouton (1960s) proposed a graphic portrayal of leadership styles through a managerial grid (sometimes called leadership grid). The grid depicted two dimensions of leader behavior, concern for people (accommodating people's needs and giving them priority) on y-axis and concern for production (keeping tight schedules) on x-axis, with each dimension ranging from low (1) to high (9), thus creating 81 different positions in which the leader's style may fall.

The five resulting leadership styles are as follows:

1. Impoverished Management (1, 1): Managers with this approach are low on both the dimensions and exercise minimum effort to get the work done from subordinates. The leader has low concern for employee satisfaction and work deadlines and as a result disharmony and disorganization prevail within the organization. The leaders are termed ineffective wherein their action is merely aimed at preserving job.

2. Task management (9, 1): Also called dictatorial or perish style. Here leaders are more concerned about production and have less concern for people. Employees' needs are not taken care of and they are simply a means to an end. The leader believes that efficiency can result only through proper organization of work systems and through elimination of people wherever possible. Such a style can definitely increase the output of organization in short run but due to the strict policies and procedures, high labour turnover is inevitable.

3. Middle-of-the-Road (5, 5): This is basically a compromising style wherein the leader tries to maintain a balance between goals of company and the needs of people. The leader does not push the boundaries of achievement resulting in average performance for organization. Here neither employee nor production needs are fully met.

4. Country Club (1, 9): This is a collegial style characterized by low task and high people orientation where the leader gives thoughtful attention to the needs of people thus providing them with a friendly and comfortable environment. The leader feels that such a treatment with employees will lead to self-motivation and will find people working hard on their own. However, a low focus on tasks can hamper production and lead to questionable results.

5. Team Management (9, 9): Characterized by high people and task focus, has been termed as most effective style according to Blake and Mouton. The leader feels that empowerment, commitment, trust, and respect are the key elements in creating a team atmosphere which will automatically result in high employee satisfaction and production.

The Managerial or Leadership Grid is used to help managers analyze their own leadership styles through a technique known as grid training. This is done by administering a questionnaire that helps managers identify how they stand with respect to their concern for production and people. The training is aimed at basically helping leaders reach to the ideal state of 9, 9. The model ignores the importance of internal and external limits, matter and scenario. Also, there are some more aspects of leadership that can be covered but are not.

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- Its detailed attention to the situation emphasized the importance of both situation and leader characteristics in determining leader effectiveness

- It stimulated a great deal of research and inspired the formation of alternative contingency theories and led to the development of programmes to improve leader effectiveness and subordinate performance and satisfaction.

- Finally it led to the development of a program by Fiedler and his colleagues (Fiedler & Chemers, 1984) to apply his theory to actual leadership situations.

THE PATH-GOAL THEORY:

The path-goal theory states that a leader's job is to help the work group attain the goals that they desire (House, 1971; House and Mitchell, 1974). The leader is accordingly seen as a facilitator, or guide, who helps the group overcome the various barriers and roadblocks they may encounter on the way to achieving their goals.

To help the group reach its goals, the leader may adopt one of four categories of behaviour:

- Directive Behaviour- leader behaviour that provides instructions and suggestions for performing a job.

- Achievement- Oriented Behaviour- leader behaviour concentrated on particular work outcomes.

- Supportive Behaviour- leader behaviour focusing on interpersonal relationships and showing concerns for workers' well-being

- Participative behaviour- leader behaviour that encourages members to assume an active role in group planning and decision making.

The choice of leader behaviour is contingent on the type of work task and the characteristics of the followers.

The research on path-goal theory has been mixed (House, 1996). While there has been some support for the model (Downey, 1976), its general approach and its inability to make specific and precise predictions in actual work settings have been criticized (Yukl, 1989).

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LEADER-MEMBER EXCHANGE (LMX) THEORY

Leader-Member Exchange Theory, also called LMX or Vertical Dyad Linkage Theory, describes how leaders in groups maintain their position through a series of understood exchange agreements with their members (Dansereau, Grean & Haga, 1975).

In particular, leaders often have a special relationship with an inner circle of trusted assistants and advisors, to whom they give high levels of responsibility, decision influence, and access to resources. This in-group pay for their position. They work harder, are more committed to task objectives, and share more administrative duties. They are also expected to be fully committed and loyal to their leader. The out-group, on the other hand, are given low levels of choice or influence.

This also puts constraints upon the leader. They have to nurture the relationship with their inner circle whilst balancing giving them power with ensuring they do not have enough to strike out on their own.

-evaluation

These relationships, if they are going to happen, start very soon after a person joins the group and follow three stages.

1. Role taking: The member joins the team and the leader assesses their abilities and talents. Based on this, the leader may offer them opportunities to demonstrate their capabilities. Another key factor in this stage is the discovery by both parties of how the other likes to be respected.

2. Role making: In the second phase, the leader and member take part in an unstructured and informal negotiation whereby a role is created for the member and the often-understood promise of benefit and power in return for dedication and loyalty takes place. Trust-building is very important in this stage, and any felt betrayal, especially by the leader, can result in the member being relegated to the out-group. This negotiation includes relationship factors as well as pure work-related ones, and a member who is similar to the leader in various ways is more likely to succeed. This perhaps explains why mixed gender relationships regularly are less successful than same-gender ones (it also affects the seeking of respect in the first stage). The same effect also applies to cultural and racial differences.

3. Routinization: In this phase, a pattern of ongoing social exchange between the leader and the member becomes established.

Successful members are thus similar in many ways to the leader. They work hard at building and sustaining trust and respect. To help this, they are empathetic, patient, reasonable, sensitive, and are good at seeing the viewpoint of other people (especially the leader). Aggression, sarcasm and an egocentric view are keys to the out-group wash-room.

The overall quality of the LMX relationship varies with several factors. Curiously, it is better when the challenge of the job is extremely high or extremely low. The size of the group, financial resource availability and the overall workload are also important.

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LEADERSHIP/MANAGEMENT STYLES

Leadership and management are two notions that are often used interchangeably. However, these words actually describe two different concepts. Leadership is just one of the many assets a successful manager must possess. Care must be taken in distinguishing between the two concepts. The main aim of a manager is to maximise the output of the organisation through administrative implementation. To achieve this, managers must undertake the following functions:

- organisation
- planning
- staffing
- directing
- controlling

Leadership is just one important component of the directing function. A manager cannot just be a leader, he also needs formal authority to be effective. *"For any quality initiative to take hold, senior management must be involved and act as a role model. This involvement cannot be delegated."*

In some circumstances, leadership is not required. For example, self motivated groups may not require a single leader and may find leaders dominating. The fact that a leader is not always required proves that leadership is just an asset and is not essential.

Managers think incrementally, whilst leaders think radically. *"Managers do things right, while leaders do the right thing."*. This means that managers do things by the book and follow company policy, while leaders follow their own intuition, which may in turn be of more benefit to the company. A leader is more emotional than a manager. *"Men are governed by their emotions rather than their intelligence"*. This quotation illustrates why teams choose to follow leaders.

Often with small groups, it is not the manager who emerges as the leader. In many cases it is a subordinate member with specific talents who leads the group in a certain direction. *"Leaders must let vision, strategies, goals, and values be the guide-post for action and behaviour rather than attempting to control others."*

When a natural leader emerges in a group containing a manager, conflict may arise if they have different views. When a manager sees the group looking towards someone else for leadership he may feel his authority is being questioned.

Groups are often more loyal to a leader than a manager. This loyalty is created by the leader taking responsibility in areas such as:

- Taking the blame when things go wrong.
- Celebrating group achievements, even minor ones.
- Giving credit where it is due.

Managing and leading are two different ways of organising people. The manager uses a formal, rational method whilst the leader uses passion and stirs emotions.

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We look now at ways in which the general theoretical approaches outlined briefly previously have been applied in identifying leadership styles.

Various management styles can be employed dependant on the culture of the business, the nature of the task, the nature of the workforce and the personality and skills of the leaders.

This idea was further developed by Tannebaum and Schmidt who argued that the style of leadership is dependant upon the prevailing circumstance; therefore leaders should exercise a range of leadership styles and should deploy them as appropriate.

Lewin et al (1939) (also Brown, 1985) did research into Authoritarian, Democratic and Laissez-Faire styles and this is what they found out about each of the leadership styles:

AUTOCRATIC

An **Autocratic** or authoritarian manager makes all the decisions, keeping the information and decision making among the senior management. Objectives and tasks are set and the workforce is expected to do exactly as required. The communication involved with this method is mainly downward, from the leader to the subordinate, critics such as Mayo have argued that this method can lead to a decrease in motivation from the employee's point of view. The main advantage of this style is that the direction of the business will remain constant, and the decisions will all be similar, this in turn can project an image of a confident, well managed business. On the other hand, subordinates may become highly dependent upon the leaders and supervision may be needed.

DEMOCRATIC

In a **Democratic** style the manager allows the employees to take part in decision making, therefore all decisions are agreed by the majority. The communication is extensive in both directions (from subordinates to leaders and vice-versa). This style can be particularly useful when complex decisions need to be made that require a range of specialist skills; for example, when a new system needs to be put in place, and the upper management of the business is computer illiterate. From the overall business's point of view, job satisfaction and quality of work will improve; however the decision making process is severely slowed down, and the need of a consensus may avoid taking the 'best' decision for the business.

LAISSEZ-FAIREL

In a **Laissez-faire** leadership style, the leader's role is peripheral and staff manage their own areas of the business; the leader therefore evades the duties of management and uncoordinated delegation occurs. The communication in this style is horizontal, meaning that it is equal in both directions, however very little communication occurs in comparison with other styles. The style brings out the best in highly professional and creative groups of employees, however in many cases it is not deliberate and is simply a result of poor management. This leads to a lack of staff focus and sense of direction, which in turn leads to much dissatisfaction, and a poor company image.

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The emphasis on leader behaviour is exemplified early on in the work of Lewin, Lippit and White (1939) who trained leaders of boys' club groups to run activities, making models. This submitted each of the boys, working in groups, to 3 different leadership styles:

Democratic-discussed possible projects with the boys and involve them in decision is about activities. Explained his comments.

Autocratic-issued orders and told the boys what to do. Did not invite their opinions. Sometimes praised or blamed. Did not explain his comments.

Laissez-Faire-left the voice to themselves after instructing them to do the same as the others. Offered help only when asked. Did not praise or blame.

Although it is generally believed that a democratic style of leadership is best, no one style in this study proved to be consistently superior in all aspects. The democratic style produced greater satisfaction among group members, yet the autocratic style produced either equal or even better models. However, the boys stopped working in the absence of the leader and fought far more. The third group displayed low morale and little productivity.

Meade (1967) found that in India the autocratic style produced better results. It is always important to remember that most psychological results are produced in the West, mainly in the USA, and that each effect reported may well not generalise across cultures.

CHARISMATIC LEADERSHIP

The latest approaches to the study of leadership style include *transformational* leadership qualities including *charisma* (stating that leaders posses some exceptional characteristics that cause followers to be loyal and inspired). This approach seems to, at the same time, combine and move beyond the trait approaches and the contingency theories of leadership.

House (1977) concentrated on charismatic leadership which includes the ability to influence others' beliefs and behaviour through the leader's own strength of belief, personal example and fate in their subordinates. House et al (1991) conducted a study on US presidents using historical data, and attempted to show that a leader's need for power predicted their charismatic qualities which in turn predicted their success in the presidential position (leader effectiveness). Examples of charismatic leaders would be Martin Luther King, Tony Blair, Mohammad Ali Jinnah.

That is, these newer approaches to leadership focus on the characteristics of the leader, and how these extraordinary leader characteristics interact with situational elements, including the attitudes, beliefs and loyalty of followers. These theories go beyond the contingency theories because in these newer models, the leader's behaviour is more than just a simple adjusting or adapting to situational constraints.

There is some speculation that the "exceptional" characteristics or qualities of charismatic leaders are related to the possession of exceptionally high social skills and the ability to relate to (and inspire) followers at a deep, emotional level. Thus, charismatic leadership is indeed an interaction of leader, follower, and situation.

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